



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

March 17, 1998

H.R. 2807 **Rhino and Tiger Product Labeling Act**

As ordered reported by the House Committee on Resources on March 11, 1998

CBO estimates that implementing H.R. 2807 would have no significant impact on the federal budget. The bill could affect both federal revenues and direct spending; therefore, pay-as-you-go procedures would apply. The effect of any such changes, however, would be minimal and largely offsetting.

H.R. 2807 would prohibit any person from selling, importing, or exporting products containing (or labeled as containing) any substance derived from rhinoceroses or tigers. The bill would establish both criminal and civil penalties to be imposed on anyone who violates the prohibition as well as rules for seizing and disposing of certain assets used by criminal offenders. The bill's fines and asset forfeiture provisions would be similar to those imposed under the Lacey Act, which currently prohibits sales, imports, and other transactions involving endangered species. Finally, H.R. 2807 would direct the Secretaries of the Interior, the Treasury, and Transportation to enforce the legislation in the same manner as they enforce the Endangered Species Act of 1973.

Because the activities prohibited by H.R. 2807 are already unlawful, CBO expects that implementing the bill would not increase the enforcement responsibilities or discretionary expenses of federal agencies. Instead, the bill would facilitate existing enforcement efforts by relieving agencies of the responsibility of proving that products labeled as containing rhinoceros or tiger parts actually contain them.

The bill could affect revenues from civil and criminal fines and from proceeds from sales of forfeited assets. The direction of any change, however, is uncertain. On the one hand, revenues could increase if the sale and export of prohibited (or falsely labeled) items does not change and federal enforcement agencies are able to collect more fines under the broader language of the bill. On the other hand, revenues could fall if the bill induces some sellers and importers to curtail their activities. In either event, CBO estimates that any increases or decreases in revenues would be less than \$500,000 annually. Moreover, such changes would be offset by respective decreases or increases in direct spending from the crime victims fund.

(where criminal fines are deposited) or the resource management account of the U.S. Fish and Wildlife Service (where civil fines and proceeds from forfeitures are deposited).

H.R. 2807 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act of 1995 because the bill would impose no new enforceable duties. The bill's prohibition on the sale, import, or export of products containing or purporting to contain substances derived from rhinoceroses or tigers would simply facilitate the enforcement of existing prohibitions on such activities. The bill also would have no impact on the budgets of state, local, or tribal governments.

The CBO staff contacts for this estimate are Deborah Reis (for federal costs) Marjorie Miller (for the state and local impact), and Lesley Frymier (for the private-sector impact). This estimate was approved by Robert A. Sunshine, Deputy Assistant Director for Budget Analysis.